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SBA's Monthly News Update

-Serving Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming-

Newsline Eight is circulated to our resource and lending partners by SBA's Region Eight Office
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Regional Administrator's Update by Elton "Mick" Ringsak

SBA Announces its new Patriot Express Loan Initiative.

In June, the SBA announced its new Patriot Express Loan Pilot for the military community's entrepreneurs. The initiative is available to more members of the military community than our other related programs: veterans, active duty personnel who are in the military's Transition Assistance Program, and all Reservists and National Guard members are eligible. In addition, the spouse of any of the above communities, or the widowed spouse of a service member who died while in the service, or of a service-connected disability, is also eligible. With respect to the loan product itself, we've been able to put together the best parts of our 7(a) loan program (a higher SBA guarantee and more competitive interest rates) and our SBA Express product (simplified processing and greater availability), to create the most compelling and attractive product available through the SBA. Patriot Express loans can go up to \$500,000 – well above the SBA Express maximum of \$350,000. Because it is an Express loan product, lenders and borrowers benefit from expedited and streamlined processing, meaning they will get an answer in most cases in a day or so. In addition, many of our largest lenders participate exclusively or primarily through our Express programs. By making Patriot Express a companion to SBA Express, we dramatically expand the points of access for veterans and thus our ability to support them.

Unlike SBA Express, the loans will carry the full 75-85 percent guaranty: an 85 percent SBA guaranty for loan amounts up to \$150,000, and then a 75 percent guaranty from \$150,000 to \$500,000. That compares with only a 50 percent guaranty for SBA Express. That provides lenders with the support they need to reach further in extending capital to veterans. Another advantage of Patriot Express is that it will have the same maximum interest rates of SBA's regular 7(a) loans, which are lower than SBA Express. All PLP and SBA Express lenders with satisfactory loan performance will be eligible to participate in the Patriot Express Pilot Loan Initiative. SBA has created a compelling product for them and that's going to help us all reach a large number of aspiring and current military community entrepreneurs. We look forward to working with them to better serve America's heroes.



"In Your Corner" by Jim Henderson, Small Business Advocate
Minorities in Business Report.

Small business' job generating power plays a critical role in the Nation's economic health. Bureau of Labor Statistics and Office of Advocacy research shows that small businesses create sixty to eighty percent of the net new jobs. In fact, small businesses produce 50 percent of the nation's private, non-farm gross domestic product. Recently the Office of Advocacy looked at economic growth attributable to minorities. The study, entitled "Minorities in Business: A Demographic Review of Minority Business Ownership," reveals that both the number of minority-owned firms and the total receipts of these businesses have increased in the past several years. In short minorities are making an ever more important contribution to our economy. Nationally, in 2002 minorities constituted 31.8 percent of the total population. In contrast, minorities owned only 18 percent of the country's 23 million firms. The need for Blacks and Hispanics to start and grow more small businesses is clearly illustrated when population proportions are linked to business ownership by minorities. For example, Blacks were 11.8 percent of the total population, but owned only 5.0 percent of firms and accounted for 0.99 percent of total receipts. Hispanics were 13.5 percent of the total population, owning only 6.55 percent of businesses and accounting for 2.48 percent of total receipts. The only group where there is a rough parity between percent of population and percent of business ownership is Asians and Pacific Islanders. This group represented roughly 4.1 percent of the total population, and owned 4.72 percent of businesses and accounted for 3.7 percent of total receipts. Employer firms produced the majority of total receipts, from 74.2 percent for Blacks to 91.9 percent for Whites. Asians had the smallest average number of employees with 7. Black employers had the lowest average payroll per worker, \$23,277, and the highest was paid by White employers at \$29,666. On average, a White-owned employer firm had over \$1.6 million in sales in 2002. A Black-owned employer firm averaged \$696,158 in sales. Federal and state policymakers continue to advance and enact programs to foster minority business ownership as a means of improving the economic well-being of minorities in the United States. With increased participation in higher education, and the marketplace, more and more minority -owned businesses will attain the American dreams of business success and personal prosperity.

District Office Reports: Your SBA Event Planner

Colorado – The Colorado District Office will receive an award at this year's American West Lenders Conference for "outstanding best practices in partnering with SBA lenders in Region 8". In 2005, the Colorado District Office helped develop a pilot lender program that targeted training to both Regional banks and community banks in the Colorado Springs area that were new to SBA lending or currently underutilizing SBA loan guarantee programs. The purpose of the training pilot was to expose these lenders to the benefits of SBA lending and to equip these lenders with the skills to better serve Colorado Springs small businesses and surrounding communities by providing access to SBA guaranteed loan programs. The Colorado Springs Chamber of Commerce will actively promote the lender training by encouraging lenders to participate. SCORE and the Small Business Development Centers provide technical assistance to prospective small businesses loan applicants to prepare them for the SBA loan guarantee application process and, therefore, benefit the lenders by providing them with quality, pre-screened applicants for potential bank financing. We would like to thank the Chamber, SCORE, and SBDC for their tremendous support!

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Montana – SBA to roll-out Patriot Express. The Montana District Office will announce a statewide launch of the new SBA Patriot Express Pilot Loan Initiative on July 3rd at a press conference at the Helena Armed Forces Reserve Center. Regional Administrator Mick Ringsak and District Director Michelle Johnston will kick off the event at 10:00 a.m. Senator Jon Tester will provide key remarks, along with representatives from Senator Baucus and Congressman Rehberg's offices, Joe Underkofler, Director of the U.S. Veterans Administration, Joe Foster, Director of the Montana Veteran's Affairs Division, representatives from the Montana Army Reserve and Montana National Guard, Malmstrom AFB officials, and other key veteran stakeholders. This event marks the beginning of a statewide campaign to educate Montana's military community on entrepreneurship opportunities. Additional information on SBA's Patriot Express Initiative in Montana, please call the Montana District Office at (406) 441.1081.

North Dakota – Guerilla Publicity lunch and learn workshop to be held July 18th from 11:30am to 1:00pm in Fargo. This workshop will offer practical, low-cost or no-cost ways to increase the awareness and visibility of your business. This is being offered as classroom training as well as online. Classroom training will be held at the Lodoen Community Center, 109 3rd Street East, West Fargo. A box lunch will be provided for those attending in person. To register, or for more information, contact Chris Barton at the West Fargo Chamber of Commerce, 701-282-4444 or chamber@westfargochamber.com.

South Dakota – The South Dakota Department of Labor, SBA, South Dakota Department of Revenue and Regulation, and the Yankton Small Business Development Center will be present a free business workshop on Wednesday, July 18th in Yankton at the Regional Technical Education Center Community Room, 1200 West 21 Street. This workshop will start at 8:30 a.m. and will provide business education to owners and employees by presenting tax information, explaining labor and employment laws in South Dakota, and discussing what is available in loan programs and business consulting services. For more information and to register, contact the SD Department of Revenue and Regulation at 1-800-829-9188.

Utah – The Utah District office will be hosting a vendor classroom training on the implementation of the Wide Area Workflow (WAWF) system to support electronic invoice and receiving report processing. The training dates will be July 9th, 10th and 11th (you only need to attend one class) and the training will last 8 hours. The WAWF training will be provided by the Department of Army, the Procurement Technical Assistant Centers (PTAC) and Defense Finance and Accounting Service (DFAS). Using WAWF for Vendors is an instructor-led class that includes comprehensive instruction on basic WAWF functionality, hands-on practice and a detailed reference guide for you to take back to your work site. For additional information on the WAWF training, please visit <https://ca.dtic.mil/dfas/dfas4dod/wawfarmyvendortraining.htm>

Wyoming – For assistance in Wyoming, call the SBA Office at 307-261-6500.

If you have any questions about Newsline Eight or would like your name removed from the Newsline VIII Fax list, contact Chris Chavez at (303) 844-0501 or christopher.chavez@sba.gov

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